

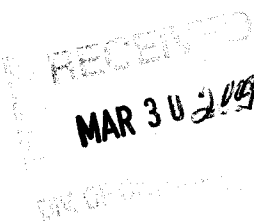


United States Department of the Interior
BUREAU OF LAND MANAGEMENT
FILLMORE FIELD OFFICE

35 East 500 North
Fillmore, Utah 84631



In Reply Refer to:
3809 (UTW02000)
UTU-87042



March 25, 2009

CERTIFIED MAIL # 7007 1490 0004 7118 2326
RETURN RECEIPT REQUESTED

DECISION

Bruce Evans	:	
Nephi Sandstone Corporation	:	43 CFR 3809 - Surface Management
1250 N 200 W	:	Notice
Nephi Utah 84648	:	

NONCOMPLIANCE ORDER

A routine field inspection was completed on February 5, 2009 for notice UTU-87042 in Juab County, Section 33 and 34, Township 13 South, Range 4 West, Salt Lake Baseline and Meridian. The inspection revealed the following on the Champlin #1 mining claim, UMC 407381:

Nephi Sandstone has begun a mining operation at the site that includes road improvement, drilling, blasting, screening, crushing, stockpiling and removal of limestone from the site.

A review of our records indicates the following facts:

On October 9, 2008 the Fillmore Field Office (FFO) of the Bureau of Land Management (BLM) received a copy of a Notice of Intent to Commence Small Mining Operations that was filed with the Utah Division of Oil, Gas, and Mining (UDOGM). In a telephone conversation on October 16, 2008 you were subsequently informed 1) Limestone is normally considered "common variety" and not subject to mining claim location. 2) Mining of limestone under the Surface Management regulations would require a mineral examination to determine locatability. 3) Prior to approval of a Plan of Operations for mining it is normally prudent to explore the site to determine appropriate quality and quantity of the material to be mined. As a result of this information Nephi Sandstone submitted a Notice to drill six exploration drill holes at the site. The FFO received the Notice on October 21, 2008. On December 3, 2008 the FFO issued a decision accepting your notice, UTU-87042, as complete, that your operation will not result in unnecessary or undue degradation, and requiring you to submit and BLM to accept a financial guarantee prior to you beginning operations.

Based on our inspection and our files, your activity includes the removal of stone, which is mining. Mining is not allowed without a plan of operations that has been approved by FFO. BLM has only allowed for confirmative drilling as an interim authorization of notice-level activity conditioned upon acceptance of a suitable financial guarantee; therefore, the present activity is unauthorized and is in violation of the Federal Land Policy Management Act of 1976. Specifically you are in violation of Title 43 of the Code of Federal Regulations (CFR), Subpart 3809, Surface Management, as follows:

§3809.605(b) Beginning any operations, other than casual use, before you file a notice as required by §3809.21 or receive an approved plan of operations as required by §3809.412;

§3809.605(c) Conducting any operations outside the scope of your notice; and

§3809.605(d) Beginning operations prior to providing a financial guarantee that meets the requirements of this subpart.

Under the authority of 43 CFR 3809.601(a), within 30 days of your receipt of this order you are to:

1. Provide the Utah State Office, BLM, PO Box 45155, Salt Lake City, Utah 84145-0155 or 440 West 200 South, Salt Lake City, Utah 84101-1345 with the financial guarantee required in the Determination of Required Financial Guarantee for the notice-level operations that was dated December 3, 2008 from the FFO
2. Provide the FFO with the information that was acquired as part of the notice-level operations, which included:
 - a. Any Laboratory results of samples that are in addition to the results sent to the FFO on February 5, 2009 along with the sampling procedure and sample descriptions for all samples taken at the site.

If you have additional information that would provide information in support of determining the locatability of this limestone deposit, you are requested to also provide that data. Such data could include additional chemical analysis and other tests on this limestone, such as quality control for mining or product delivery to the point of use; specifications for this limestone for its proposed use and market; sale price of the product (f.o.b. quarry or delivered); itemized costs of mining, processing, handling, and hauling; and the characteristics, uses, and markets of this limestone deposit in comparison to other limestone deposits. You may want to review the regulations at §3830.12(b)(1)-(5) and (d) for the standards of the characteristics of a locatable minerals. Information that you consider to be confidential and/or proprietary should be identified as such in accordance with §3809.111.

The FFO will review the information that is being required and any additional information that you may provide. Based on that review, the FFO will determine whether the data adequately shows that the mineral (limestone) is locatable in conformance with the requirements of §3830.12(b)(1)-(5) and (d). If the information you submit adequately demonstrates that this

limestone deposit is a locatable mineral, then the plan of operations will be processed for approval under §3809.

If the information provided to the BLM is not adequate to determine that this limestone deposit is a locatable mineral, then a mineral examination report will be required in accordance with §3809.101(a). A mineral examination report is subject to cost recovery fees as addressed at §3809.5 and §3000.11. As addressed at §3809.101(b) for an interim authorization, until the mineral examination report is prepared, BLM may allow for additional notice-level operations or the approval of the plan of operations in the regulations. An interim authorization for a plan of operations requires the establishment of an escrow account for payments for the removal of possible common variety minerals.

If you do not comply with this order, the BLM may take further action against you pursuant to §3809.601(b) and/or the Department of the Interior may request the United States Attorney to institute a civil action in United States District Court for an injunction or order to enforce this order to prevent you from conducting operations on the public lands in violation of this subpart, and collect damages resulting from unlawful acts (see §3809.604). Additionally, if you fail to adhere to the terms of this order, you may face arrest and trial under section 303(a) of the Federal Land Policy Management Act (43 U.S.C. 1733(a)). If convicted, you will be subject to a fine of not more than \$100,000 or the alternate fine provided for in the applicable provision of 18 U.S.C. 3571, or imprisonment not to exceed 12 months, or both, for each offense (see §3809.700).

Appeal of the Decision - If you do not agree and are adversely affected by this decision, in accordance with 43 CFR 3809.804, you may request that the Utah BLM State Director review this decision. If you request a State Director review, the request must be received in the Utah BLM State Office, P.O. Box 45155, Salt Lake City, Utah 84145-0155, no later than 30 calendar days after you receive this decision. A copy of the request must also be sent to this office. The request must be in accordance with the provisions provided in 43 CFR 3809.805. If a State Director review is requested, this decision will remain in effect while the State Director review is pending, unless a stay is granted by the State Director. Standards for obtaining a stay are given below. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

If the State Director does not make a decision your request for review of this decision within 21 days of BLM's receipt of the request, you should consider the request declined and you may appeal this decision to the Interior Board of Land Appeals (IBLA). You may contact the Utah BLM State Office to determine when BLM receives the request for State Director Review. You have 30 days from the end of the 21 day period in which to file your notice of appeal with the IBLA (see procedures below).

If you wish to bypass a State Director review, this decision may be appealed directly to the IBLA in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (Fillmore Field Office, 35 East 500 North, Fillmore, Utah 84631) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulations 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the IBLA, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of this notice of appeal and petition for a stay must also be submitted to each party named in the decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

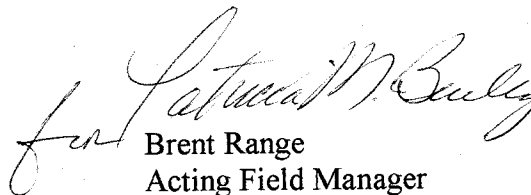
Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant=s success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted, and
4. Whether the public interest favors granting the stay.

If you have any questions, please contact Jerry Mansfield, FFO Geologist, at 435.743.3125 or at the above address.

Sincerely,


Brent Range
Acting Field Manager

cc:

Wayne Western, UDOGM, 1594 W North Temple Ste 1210, SLC, UT 84114
Mining Claimants of Record:
Bruce Evans, PO Box 137, Nephi, UT 84648
Craig Dansie, PO Box 137, Nephi, UT 84648